

tenet of a free society. The U.S. Supreme Court has addressed the issue and reached that conclusion. But it is one of several glaring cases of disregard for the law that the Clinton administration has ignored the principle. Without enforcement of that rule, any "reforms" of the current flawed campaign financing laws are worthless. Nothing wrong with unions spending big bucks for politics as long as the money is openly provided and comes from willing donors. Nothing wrong, either, with like amounts coming from readily identifiable business or other organizations operating under the same terms.

But let them use these resources openly to win friends and influence elections, and understand that true reform depends on voluntary contributions.

REAL ESTATE FLEXIBILITY ACT OF 1999

HON. JIM MCCRERY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. MCCRERY. Mr. Speaker, today I am introducing legislation, the Real Estate Flexibility Act of 1999, to remove a present-law tax penalty that confronts individual real estate investors who wish to sell debt-encumbered property.

This legislation is important to our Nation's real estate markets. It would provide real estate investors with flexibility in managing tax liabilities while at the same time allowing debt-strapped property to be put to its highest and best use.

An example will help to illustrate the need for this legislation. Assume that an individual investor owns commercial investment real property that is valued at \$100 and that is encumbered by debt of \$90. The individual's basis in the property is zero. Assume that the individual wishes to enter the residential real estate market and that a buyer offers to purchase his commercial property for fair market value. Under the terms of the transaction, the buyer will assume the \$90 of debt and will pay the individual \$10 in cash.

Under current tax law, the individual will be taxed not only on the cash received, but also on the discharged debt. In this case, the tax paid by the individual on the sale—as much as \$25 in this case (taking into account tax on unrecaptured depreciation)—will exceed the \$10 in cash the individual actually receives. Thus, selling the property would force the individual to come up with cash out of pocket to pay the IRS.

In light of this disincentive, many individuals in this situation do not sell. Rather, they sit and hold. As a result, the underlying property does not pass into the hands of new owners who may be more likely to make improvements and put the property to its highest and best use.

In these circumstances, I believe an individual taxpayer should be given flexibility to pay this tax liability when he or she has the necessary cash. The Real Estate Flexibility Act of 1999 would allow individuals wishing to

sell debt-encumbered property to elect to pay tax on the sale only to the extent of the cash received; the individual would have to reduce basis in other property to the extent that gains are not taxed. In our example, the individual would pay tax of \$10—i.e., the amount of the cash actually received—upon disposition of the commercial real estate and would reduce his or her basis in other depreciable property by the amount of untaxed gain on the commercial property.

I ask my colleagues to join me in supporting this important legislation.

CONGRATULATORY REMARKS TO THE FOSTER GRANDPARENT PROGRAM OF SOUTHEAST MISSOURI FOR 26 YEARS OF SERVICE TO PUBLIC EDUCATION

HON. JO ANN EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mrs. EMERSON. Mr. Speaker, I'd like to take this opportunity to commend the Foster Grandparent Program of Southeast Missouri for recently completing its 26th year serving the senior citizens in the communities of East Prairie, Poplar Bluff, and Sikeston, Missouri.

The Foster Grandparent Program of Southeast Missouri has had a tremendous impact on the senior citizens who serve as mentors to at-risk children in local elementary schools. This program serves as a way for these mentors to be significant change-agents in their communities during their golden years.

In addition to providing an opportunity for seniors to feel a sense of self-worth and responsibility within the community, let me also share with you some stories from teachers who have seen first-hand the tremendous impact of the Foster Care Program.

One teacher from Mark Twain Elementary School in Sikeston, Missouri, spoke of a boy who suffered from a learning disability but progressed greatly with the help of a foster grandparent. "With his foster grandma's help, this child has made tremendous progress this year, in spite of his disability. He has changed from a frustrated student who couldn't read or spell to a student who beams because now he can pick up first grade and second grade-level books and read them with fluency. The positive impact that this foster grandparent has had in this student's life with her genuine care and concern, and one-on-one tutoring, cannot really be measured."

Another teacher spoke of a grandmother who worked one-on-one with several students throughout the school year. "This woman is such a great asset to our school and my classroom. She fulfills these children's needs in every way possible, not to mention the invaluable assistance she provides me. Without her, I could not give the extra attention to the students with the class size being so large. This grandmother is wonderful and gives the children an extended family while away from home."

I received dozens of letters from teachers, principals, participants, and mentors in the

program, all of whom believe that this program is one of the most rewarding programs within their communities. I cannot emphasize enough the importance of programs like this that realize the potential of senior citizens to make significant contributions to our society, and I congratulate the Foster Grandparent Program of Southeast Missouri for their wonderful efforts over the past 26 years.

INTRODUCTION OF LEGISLATION ADDRESSING NAZI ASSET CONFISCATION

HON. JIM RAMSTAD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 16, 1999

Mr. RAMSTAD. Mr. Speaker, over 50 years ago, Nazi Germany began a systematic process of eliminating an entire race. Over 6 million men, women and children lost their lives in this tragic chapter in human history simply because they were Jewish. They were the ultimate victims.

Others were forced to work as slaves in German factories. Some were subjected to brutal experiments, and others had their assets and belongings stolen from them to be given to those of "Aryan" stock or used by the German government in its war effort.

Amazingly, these criminal acts have yet to be settled. The U.S. government is currently involved in negotiations between German companies and Nazi victims here in the U.S. which could lead to compensation for some of the victims.

I believe the companies which profited from their complicity with the Nazi regime and the Holocaust should pay for their actions. It is absolutely appalling that to this day, German banks and businesses have not admitted their role in this theft nor have they returned the fruits of their crimes. It is inexcusable that German banks and businesses continue to deny their obvious guilt and refuse to compensate the victims.

That's why I am introducing legislation today which would allow victims of the Nazi regime to bring suit in U.S. federal court against German banks and businesses which assisted in and profited from the Nazi's Aryanization effort.

My legislation would clarify that U.S. courts do have jurisdiction over these claims and would extend any statute of limitations to 2010.

There are people who say this occurred too long ago and that we should leave these events in the past. I strongly and fundamentally disagree. There must never be a statute of limitations on Aryanization, as genocide and related crimes should always be punished.

These companies need to come forward, open their books and return their criminally-obtained gains to close this open wound on the soul of humanity.

This legislation will right a terrible wrong in the annals of world history, and it's long overdue.